

MINUTES

PUBLIC WORKS/ELDERLY AFFAIRS COMMITTEE

August 18, 2010

A meeting of the Public Works/Elderly Affairs Committee of the Council of the County of Kaua'i, State of Hawai'i, was called to order by Councilmember Tim Bynum, Chair, at the 3371-A Wilcox Road, Līhu'e, Kaua'i, on Wednesday, August 18, 2010, at 9:04 a.m., after which the following members answered the call of the roll:

Honorable Tim Bynum
Honorable Dickie Chang
Honorable Jay Furfaro
Honorable Daryl W. Kaneshiro
Honorable Derek S. K. Kawakami
Honorable Bill "Kaipo" Asing, Ex-Officio Member
Honorable Lani T. Kawahara, Ex-Officio Member

The Committee proceeded on its agenda items as follows:

Bill No. 2367 A BILL FOR AN ORDINANCE AMENDING SECTION
21-9.1, AND SECTION 21-9.3 OF THE KAUA'I COUNTY
CODE 1987, RELATING TO INTEGRATED SOLID
WASTE MANAGEMENT
[This item was deferred.]

TIM BYNUM, Public Works/Elderly Committee Chair: I would like to call to order the Public Works/Elderly Affairs Committee. The Bill, if the clerk could read the one item on the agenda?

Laurie Chow, Senior Clerk Typist: Bill No. 2367, a bill for an ordinance amending section 21-9.1, and section 21-9.3 of the Kaua'i County Code 1987, relating to Integrated Solid Waste Management.

Mr. Bynum: Okay, is there anyone in the public that would like to testify on this matter? Mr. Mickens.

There being no objections, the rules were suspended.

GLENN MICKENS: Thank you Tim. For the record again, Glenn Mickens, I don't see that Bill 2367 even addresses our recycling program. There's nothing in the bill that I see that talks about having three (3) containers to pick up;

one for cans and bottles, one for greenwaste, and one for garbage. I thought that the EPA mandated that a certain percent of our waste was to be recycled and we are far behind that mandate at this stage of the game. What happened to that issue? Where are we with the MRF in our total recycling program? I can see that the voluntary program we have right now is not working well enough to get our recyclable program up to where it should be. Tim, I know you said last week when I presented this and I won't read my whole testimony again, I think you still have copies of it, but it had a number of questions here that you thought were good questions. Are you going to respond to them today?

Mr. Bynum: We sent those questions to Public Works for their response and they may be here any minute.

Mr. Mickens: Okay.

Mr. Bynum: Because this is an administration bill and as you know it's more appropriate to have the Administration respond to the questions than Councilmembers at this point.

Mr. Mickens: It's basically as to how the program is working. I know it's a pilot program and you heard Joe Rosa last week saying he didn't think it was working properly. They've gone out to get this arm, the place it's not going to fit and things like that and you know the public I think basically wants to hear how we're going to be paying six dollars more for picking up our waste with this new program and we're still paying whatever it is if it's six dollars added to our tax bill I presume, I guess it's how it goes and now we're going to be paying double for the program. I think that's what the public is looking at, at the amount of money that's going to be spent on this thing.

Mr. Bynum: I will respond this way that on August 13, we sent a memo to the Public Works department asking them to be prepared to respond to your questions. For my response we, this council has adopted an integrated solid waste program and it has many elements that will take some time to implement. This bill is one step and is consistent with that implementation of handling our solid waste and recycling programs better and differently. This bill addresses fees for solid waste collection and that's a common occurrence all over the country and pretty much part of an intricate program and called for in the management plan that we adopted. A lot of your questions are good and they are more comprehensive in terms of when will this happen. Automated collection is starting and I was talking to people in Līhu'e this week who have the new cans and how that process is going for them and I know that Public Works is doing the same as the automated collection is routine all over the country and we need to work out the kinks once the residents understand how it works and so I think some of Mr. Rosa's comments last

week are understandable and I trust that Public Works is on the right track with this.

Mr. Mickens: But this program is basically talking about picking up waste and disposing of it. I don't see where it's talking about recycling. Where are we taking the cans and the bottles? How do you pick it up? To put 3 containers out or 1 container it's going to cost us six dollars. It doesn't say that anyone of those containers is separating your stuff, so I don't see that 2367 does anything to address that.

Mr. Furfaro: As I said Glenn, 2367 is one implement, one measure towards the comprehensive plan so this bill is targeted specifically to implement that measure and all of the other questions that you're asking are in the integrated solid waste management plan that the Council adopted and is now a policy in the county and our solid waste team and public works are working hard every day to implement different portions of, we are doing automated collection and eventually the same equipment and materials will be able to collect mixed recyclables and composted materials and that's the goal that we are headed towards and it's a very big part of what the county does and our solid waste program is a very big program and I think it's twelve million or more dollars involved. Those cost will go up as everything does and as we do better management there are many implements. This one right now is one element and public works is here as we asked them to be available and they're prepared to do a presentation so maybe that will answer a number of your questions.

Mr. Mickens: Okay.

Mr. Bynum: I'm sorry Council Chair, did you have a question?

KAIPO ASING: Yes as a non - committee member, Glenn this bill is simply talking about the present system that we have now on what the charges will be period, stop right there. That's all this bill is intended to do. The questions that you have are good questions but they're not related to this bill, it is some additional things you are asking about and which the administration is going to do, is doing presently and there's plans going forward. This one here is the normal pick up now today, and the way we're picking up. We're going to charge you now for picking up and that's what this does and that's all, period stop right there for this bill. The question that you're asking is about the recycling and other areas and that's going to be covered in the next segment which they are preparing to put forth for this council. So they are putting forward to this council now the rubbish pick up today as it exist. There are no charges today. This bill will charge you, they will charge you six dollars as the base. Even if you say I don't want to pick up my rubbish, you still get charged six dollars by this bill. I don't want to pick up my rubbish but you still get charged by this bill six dollars. Additional six dollars that you will be paying

with this bill will happen in two areas. One is that you get a ninety - six dollar container that the county provides free. For that service you pay six dollars a month. The other areas with the non automated is, they will allow you three containers, thirty - two gallon containers and they will charge you six dollars for three of them. So that's all this bill does and nothing else. The questions that you are asking are good questions but they will be covered in the future and they're coming and they're working on that plan that you are making reference to but that's not this bill okay. Good questions and they will answer that when it comes up.

Glenn Mickens: Just one question Kaipo, one question I ask you. We are now paying for our trash pickup are we?

Mr. Asing: No.

Mr. Mickens: Nothing?

Mr. Asing: Zero.

Mr. Mickens: What's paying for our trash pickup now?

Mr. Asing: Zero, zero.

LANI KAWAHARA: The City.

Mr. Mickens: The City but, but we're paying taxes right so some place in that taxes is for trash pickup. It has to be.

Mr. Asing: You are not being charged right now. You will be when this bill passes.

Mr. Mickens: You're saying not an itemized charge but we are being charged someplace. We are paying for it whether it's a general fund or something has to pay for it Kaipo...

Mr. Asing: In that sense yes.

Mr. Mickens: Okay.

Mr. Asing: What this bill will do is to show the charges when this bill passes okay that's all it is, so don't complicate that with others. The questions you're asking are good.

Mr. Mickens: With the rest of the solid waste program is that what they're going to address?

Mr. Asing: Yes.

Mr. Mickens: How far behind? What percentage is supposed to be recycled? Is the EPA now fining us so much for not being up to where the percentage is supposed to be? These are the questions I want answered.

Mr. Asing: Yes, yes.

Mr. Mickens: Thank you Kaipo.

Mr. Asing: Thank you.

Mr. Mickens: Thank you Tim.

Mr. Bynum: Hold on a second. Councilmember Furfaro...

JAY FURFARO: Yes, Glenn let me go over this again. We have a solid waste plan, our plan has several phases and as we are talking and I think Mr. Chairman Asing explained it to you, this is only dealing with the collection portion. In round numbers because I don't have my budget for those numbers, we do about twelve million dollars of expenditures a year for the management, pick up, collection, and oversight of solid waste for this county. Through contractual fees for other companies and so forth we offset about four point two million of that to cover an operation of twelve million. So the general fund then subsidizes a little over eight million for the balance. Currently we do not charge for waste removal, it comes out of the general fund and it is subsidized in that manner.

Mr. Mickens: So we are paying for it?

Mr. Furfaro: Let me go through this one more time because I'm not going through it a third week. So what this does the six dollars a month it is charging for the collection and in return you will get the appropriate receptacles and so forth and we begin this automation process. That hopefully will keep some of the cost down that are typically passed over in your property tax bill and that is where it is coming from right now.

Mr. Mickens: Property taxes?

Mr. Furfaro: Yes. I also mentioned to you in other States when you get your property tax bill there are other line items like school district tax, waste removal, and so forth.

Mr. Mickens: California has that...

Mr. Furfaro: I don't know what other states, I'm just referencing Hawai'i.

Mr. Mickens: Yes just like you said the Islands.

Mr. Furfaro: So that's where you will see it. Currently there is no charge the Chairman is correct.

Mr. Mickens: Thank you.

Mr. Bynum: Thank you Glenn.

Mr. Mickens: Thank you.

Mr. Bynum: Please come back Glenn.

DARYL KANESHIRO: Thank you Committee Chair. Glenn I have a question for you? You know in all the years I've been sitting here I've heard you make many testimonies and you were a very strong advocate of where something like solid waste should be on its own and where it shouldn't be supplemented from our general fund.

Mr. Mickens: True.

Mr. Kaneshiro: Are you not supportive of this idea that this is what they are trying to do right now, by now starting to charge fees to accomplish what you've been speaking about?

Mr. Mickens: No.

Mr. Kaneshiro: The golf course or solid waste or you even talked about sewer at one time.

Mr. Mickens: In a enterprise fund yes, yes I am.

Mr. Kaneshiro: So my question is, you are not supportive of this? Of what we are trying to do right now.

Mr. Mickens: No but as Jay just pointed out it's still... we are still going to subsidize it to the tune of eight million dollars. Some place the tax payers are going to pay for this and my only question Daryl is yeah I want to see it pay for itself but hey we're still going to subsidize it whether it's the bus system or what. We have to subsidize it right? It's not going to pay for itself.

Mr. Kaneshiro: Isn't this a start? I mean somewhere you have to start.

Mr. Mickens: Yes I agree.

Mr. Kaneshiro: So you disagree with the start of us trying to do this?

Mr. Mickens: Well this start will ever, I don't think will ever bring along the eight million dollars that Jay is talking about.

Mr. Kaneshiro: I mean if we all have the same attitude as you do when it comes to you know we will never come to achieve what you have been saying for the last twelve years that we need to do. We need like help from the golf course, sewer...

Mr. Mickens: Well and it hasn't happened Jay or Daryl.

Mr. Kaneshiro: Well because we haven't done it and this is what we're trying to do today.

Mr. Mickens: I understand.

Mr. Kaneshiro: Alright so, I was just wondering because I've heard you testify on this many, many times.

Mr. Mickens: Sure you've heard me say "Don't call it an enterprise fund if it's not enterprise fund" Call it what it is that's all Daryl.

Mr. Kaneshiro: You know all my question was, was if you were supportive of the role of trying to establish what you've been making testimony for the last twelve years that's the only question I had.

Mr. Mickens: You know I really don't think that the public has been well informed about this program before it got started. With all due respect to Jay, ready, fire, aim, I think we are doing it in that respect but rather than finding out...

Mr. Furfaro: Point of order, there is no question posed to Mr. Mickens and I would like to clarify his statements that were made when you call the meeting back to order.

Mr. Bynum: Okay.

Mr. Furfaro: I will wait until you call the meeting back to order.

Mr. Bynum: Is there anyone else?

KEN TAYLOR: Chair and members of the council, my name is Ken Taylor. I don't have a problem with the charge but what I do have a problem with is that the community for a long time has not seen a charge for trash pickup. I think that what a lot of people are looking at and seeing is that this is just another way of taxing and what I think should have happened and still could happen is that community meetings take place and so that this could be explained to people in the community as to why it's happening and the whole process. I just feel that whether it's the administration or the council, have left the community down. I know this has been talked about a long time but there are a lot of people that don't understand what's happening and I think that some public meetings are in order to explain to the community exactly what's happening, why it's happening and there would be no problem. We are falling short in explaining to the community and so I would hope that the council or the administration would see fit to have some community meetings around the Island to explain this to people. Thank you.

Mr. Kaneshiro: I have a question.

Mr. Bynum: Mr. Kaneshiro.

Mr. Kaneshiro: So are you saying that the solid waste plan that was developed which made this recommendation was not or did not occur in the community?

Mr. Taylor: I'm saying that the aspect of the charges that we are seeing now have not been well explained to the community. A lot of people I have talked to in recent weeks have indicated, what is this? Is this another way of taxing us. Whether they should have picked up on the reality of what was coming down in moving forward with the solid waste plan, whether they should have picked up on it or not is immaterial. The point is that they don't understand why now they are being charged and I think it's up to the government to educate the people as to why this is happening and it could be easily done if you held neighborhood meetings.

Mr. Kaneshiro: So you don't disagree with the concept?

Mr. Taylor: I don't disagree and I know it has to happen. We can't continue, it's either this or continue to raise property taxes in order to cover it an out of sight manner.

Mr. Kaneshiro: So you don't disagree with the concept?

Mr. Taylor: I said at the beginning of my...

Mr. Kaneshiro: So the charges and so forth. But this is why we've had public hearings and now we've come to committee meetings.

Mr. Taylor: But still an awful lot of people out in the community don't watch or don't see this activity and when you guys do it as far as they're concerned they just feel that they are being taxed in a different way.

Mr. Kaneshiro: Okay, you've answered my question thank you.

Mr. Taylor: Thank you.

Mr. Bynum: Mr. Furfaro;

Mr. Furfaro: Just a couple of pieces here. I heard you earlier and you did indicate that you understand this is something that we need to change. Am I correct?

Mr. Taylor: It's going to be done one way or another.

Mr. Furfaro: You did agree that it has to be done?

Mr. Taylor: Yes.

Mr. Furfaro: Okay. We did participate in the solid waste plan and that was laid out so we would phase it in. I will communicate to solid waste that you are expressing the need to have a little more public outreach in the community so thank you for that point. I do also want to point out that we are going to have other successful tax programs in place, if they can remain successful, such as Mr. Asing's circuit breaker, the rental cap on property taxes for rentals, and my permanent home use cap. Those are freezing the particular public safety programs and other issues related to county expenses associated from operating from that budget. The idea here is that when we start to phase in what was in the solid waste plan, it would begin to collect some of those cost because it is an enterprise fund. I have said it before and I will say it again and Mr. Mickens knows that I have said this, I do not believe the eight million dollar subsidy that we have in this account will ever become an enterprise fund that is self - sufficient and this is a start and I think you do concur that this is something we need to do.

Mr. Taylor: And it's just as I say a change in the way things are done. People out there think that...

Mr. Furfaro: Ken your point is well taken and when solid waste comes up we will ask them a little bit about their outreach program, they are ongoing and not only about the fees but the training, the standards with the curbside collection, all of that is a must to be communicated. I wanted to just correct the fact that this is an enterprise fund but it will never get to a breakeven point, thank you.

Mr. Taylor: Thank you.

Pat Gegen: Thank you Committee Chair, Chair, Council for giving me this opportunity to testify this morning. My name is Pat Gegen, I'm here to testify regarding 2367 and quite frankly I support it, I do have some reservations which I will go into a little bit later. What I would first like to do is thank the council for the forward thinking that you have done regarding solid waste in the past. I was very impressed with the bag bill that passed and which we will be dealing with come January to help eliminate some of the garbage, some of the rubbish going into the landfill, as well as keeping it from blowing out on our streets. I also want to thank you very much for the effort you put forth during the budget hearing to fully fund the recycling coordinator to actually increase the level of expertise we were looking for instead of just a recycling staffer. That was very impressive and very important and it showed your dedication to getting us being more green, getting our waste where it needs to go, and our recyclable goods where it needs to go. I also wanted to state that everybody that I dealt with through the county and the recycling and solid waste area I feel they are very confident people and are doing a very good job. Unfortunately right now with the furloughs I'm sure they are pretty stressed like most county employees are trying to get everything done and quite frankly if you want my six dollars for a solid waste plan today and that goes towards to ending furloughs, no problem I will open my wallet.

Getting back to 2367, I'm actually talking about the recycling coordinator's position that hasn't been fulfilled and I have some concerns about 2365 about still allowing us to have recyclables and green waste going into the landfill. I think had we had a recycling coordinator, there probably would have been some attempts at trying to look towards the future a little bit more instead of re-visiting these issues every time, every six months when solid waste does have the opportunity to make some good progressive changes. I think the same is true with 2367. Again I agree with the idea of paying for my trash to go, quite frankly I don't think it's enough if you want my opinion. I do think that Glenn brought up some very good concerns on the hearing and I did get a chance to see his list but I did not get a chance to watch it on Hoiike but there were some very good concerns there. Quite frankly the part that I'm concerned about is the fact that we are only focusing on the ninety-six gallon cans. Right now in my household I do not fill up a thirty-two gallon can in a week, with kids and with people coming over, with all of that stuff. Why? Because I do the recycling that is prudent for me to do. I have cans outside that collect all of

my HI-5. Inside of my garage I got a place for my white paper, my newspaper, my plastics that aren't HI-5 recyclable, and once a week I take those when I'm driving from Kalāheo in towards town. They're in the back of my truck and I stop and throw them away. It allows me to keep my waste at a very minimum. If you would like to allow me...

Tim Bynum: Did you want to finish up?

Mr. Gegen: May I please.

Mr. Bynum: Yes.

Mr. Gegen: Thank you. If you're allowing everybody ninety-six gallons of waste, what is the incentive for them to really get into recycling? If you start out with a thirty-two gallon can people are going to say oh my gosh if I get another thirty-two gallon can, it's going to cost me six dollars more. Now I can take a look at my options and say you know what that's worth taking the three minutes to collect the stuff at home and five minutes it takes me to drop off once a week so I don't have to pay the extra six dollars a month. Where is the incentive looking forward to progress that we are trying to get to in the integrated solid waste program? That's what I'm looking for and I understand this bill as you said Mr. Asing and it was also mentioned by Mr. Kaneshiro this is just trying to take care of our fees right now, but I still want to see some forward thinking because it's going to be much harder to charge me six dollars for a thirty-two gallon can when I've been paying six dollars for a ninety-six gallon can, and then you're going to say oh now we're supposed to be recycling so we're going to charge you eighteen dollars for that ninety-six gallon can. I would like to see us start with a smaller amount to start incentivizing the community to do the recycling that is at our fingertips, the compost that is at our fingertips, that the county has made available to us. With that I thank you very much. Again I do agree with this bill philosophically and I would like to see it become more of an incentivize type bill, thank you.

Mr. Bynum: Any questions for Mr. Gegen?

Mr. Asing: Yes. I don't have a question but I have a comment and it's related to your comment regarding the ninety-six gallon containers. I had the same problem that you have and I thought the ninety-six gallon container was too small and I did pose the question to the public works department and evidently it's something that is a standard and it works with the truck and those containers are the standard containers throughout and that's the reason we got those containers. We kind of started off maybe a little shaky but those were standard in the industry and that's why we got the ninety-six but I do agree with you that the ninety-six is quite large.

Mr. Gegen: My experience is I've seen thirty-two and sixty-four gallon cans picked up by a similar machine. Now whether that's the same as the county has, I'm not sure. So that's what I'm basing my testimony on and thank you for that clarification.

Mr. Bynum: Any other questions for Mr. Gegen? If not, I have a question? You said you put stuff in your truck and you take it down and you said that I throw it away. Did you mean that you recycle it?

Mr. Gegen: I recycle it. I throw it away in the recycling bins where it supposed to go. I dispose of it correctly.

Mr. Bynum: I also want to comment about the ninety-six thirty-two but I'm going to save those comments until we see public works presentation and call the meeting back to order. I appreciate your testimony. Anyone else from the public want to testify on this matter? If not I would like to call this meeting back to order. Is there any discussion prior to getting the presentation from public works? If not, public works welcome and you wanted to do a presentation here today? So we will take a very short recess while they get set up for their presentation.

Mr. Furfaro: Mr. Bynum you're going to have to suspend the rules again because you called the meeting back to order again.

There being no further objections, the chair called a recess at 10:18 a.m. The meeting was called back to order at 10:41 a.m. and proceeded as follows:

Mr. Bynum: I would like to call this public works elderly affairs committee back to order. All members are present, I'm going to suspend the rules and thank you for being here and the floor is yours.

There being no objections, the rules were suspended.

DONALD FUJIMOTO, COUNTY ENGINEER:

ALISON FRALEY, SOLID WASTE PROGRAM COORDINATOR:

TROY TANIGAWA, ENVIROMENTAL SERVICES MANAGEMENT ENGINEER:

Mr. Fujimoto: Okay I would like to thank the council for their support in allowing us the opportunity to I guess clarify some questions that appear to have not been answered and we apologize for that. Basically this ordinance is not complicated. I think it consists of a total of four pages; however, obviously it is very controversial because it involves a charge. With that said my presentation is really ten pages and two of which is the title sheet and the outline so it's really ten pages

of substance. So I'm going to try and take my time as I go through these pages to kind of answer a lot of questions that appear to be out there. That was the first page and the second page is really what we plan to cover in this presentation. Obviously we want to justify why we're charging this fee. We're going to explain what the charges are. We're going to explain the exemptions, the proposed exemptions. We're going to explain who is subject to this assessment, and we're going to explain how we're going to implement this program which requires the population of a billing database. We're going to explain about the maintenance of the billing database, and we will get into the next step. Okay obviously it has been kind of misunderstood based on prior discussion with the public and number one I would just like to say that this is recommended to be implemented in the first year of the integrated solid waste management plan is to start moving towards being more fiscally sustainable. Having solid waste doing that by having an enterprise fund moving along that line of being more or having it pay for itself. One of the ideas is to actually start charging a user fee. I'm going to get into that later as to why we now call it an assessment rather than a fee. The justification for this assessment also looks at increasing public awareness of the cost involved with solid waste and it appears again that prior statement that the public has no idea of where the money is coming from to pay for it. This helps create awareness that there is a cost to solid waste management. It recovers a portion of the cost incurred to provide solid waste management services to county residents and it provides a foundation for Pay-As-You Throw system. There has been a lot of discussion as to why ninety-six gallons and why not smaller and all of that. Again thanks to the clarification of Chair Asing, the ninety-six gallon is the standard and we actually are very progressive, every other county has a ninety-six gallon container and they pick up twice a week and we pick up once a week. If you look at the equivalency, we starting really with the forty eight gallon pick up twice a week which is I think is progressive.

The next question is why are we doing this? It's obvious that there is a cost to operate solid waste management. Our total budget is twelve million dollars of which we receive about three point eight million in revenues based on tipping fees at the landfill. That leaves a balance of eight point two five million and that right now is covered from the general fund of real property tax. If we divide right now we have an average of pick-up service of about twenty-four thousand households and that comes out to about twenty-eight dollars and sixty-five cents per household per month to cover that eight million. So it's obvious that the recommended twelve million doesn't even come close to covering the whole cost of this program.

Why do we call it an assessment and not a user fee? One of the biggest issues that we encountered and the challenges that we looked at as we moved forward was the implementation phase. Maui which has this program has a separate billing system and the cost of that is quite high. We looked at utilizing the present real property system which provides a lot of advantages and based on present statutes, it is allowed, and again by statutes the requirements is that it be called an

assessment. It also requires that we notify the public by March 15 of the year that it will be implemented. Anyway the advantages are real clear cut; we would save a lot of money by utilizing the present billing system. The other issue is that it improves the county's position in collection of delinquent accounts. I think the county is well aware of problems with delinquent accounts and real property system because it has a good leverage on collection and that definitely improves that position.

Okay, the proposed assessment surcharge. We actually broke this up into two sections, a baseline or a six dollar base and that is to cover the cost of generic handling of trash. Whether you actually elect to exercise the right to have your trash collected or you actually take it to the transfer station, there is a cost. One of the things that we were trying to avoid is that everyone was saying that they don't want to pay for the collection, but they would take the trash down to the transfer station. We looked at if that was the situation then we may have to start charging a fee at the transfer station which would be kind of expensive to do as well as there is a lot of problems inherent to that scenario. So the easiest would be is to just charge a baseline and that would preclude people from just dumping trash on the side of the road because they are paying for it anyway, so why litter your county when you are paying for that service. We are encouraging people if you are not going to take our curbside collection to use our transfer station.

Then the additive cost was six dollars per month for the actual collection service and because of the move towards automation, the automation allows for a ninety-six gallon automated cart and presently our manual collection did not have a limit on how much it could take out and previously we submitted an ordinance change to address that and right now annual collection would be now limited to ninety-six gallons, which is about three thirty six-gallon containers and again it's to be fair. Once it's to be charged, well right now we're not charging a fee and people are still taking out more than ninety-six gallons and we are still picking it up. We are encouraging them to register for a second account just so that they understand that they are actually exceeding our so-called allotment for one account, and again this is to bring things on the same level. I think there was a question asked if what would happen if a person takes out a fourth container, a thirty-two gallon container, would we pick it up? Initially we would, but we would probably leave a note saying that they would need to register if they wanted to continue to do that because there is a cost. The twelve dollar fee only covers up to ninety-six gallons and if they wanted a second account which would allow them an additional three thirty two gallons, the fee would be twelve dollars. The purpose of this collection fee again is to recover cost of this curbside refuse collection and the cumulative charge for one collection is twelve dollars per month and an additional collection would be twelve dollars per month, so it's kind of like built in.

So the question is how come the second part is not six dollars and why is it twelve? because obviously we are charging six dollars for curbside. We are kind of building in a pay-as-you throw that we've heard statements that everybody said that ninety-six is more than enough, so for people that are generating more than enough, they should pay for their fair share. As we saw earlier in the slide the twelve dollars does not come close to covering really the cost of the solid waste expenses.

Okay so what is the projected revenue based on this and it would be variable based on how many people would want to stay on the collection service and how many people would actually cancel and say well I think I will just pay the six dollar base line. So we did a scenario based on two different situations. One is if nothing changes and all the people that presently serve stay on and say we're going to pay the twelve dollars a month then we are looking at about three point five or just under three point five million. If twenty-five percent of the people decide that they want to not exercise the right to have their trash pick-up, we are still looking at about three million dollars. We are talking about a substantial increase in revenues.

One of the big issues about these charges was how would it affect everyone and how do we address people that are having a hard time paying for it. Obviously this is a user fee and this is something that you can exercise not to use it and take care of it yourself. The biggest single exemption that we felt would catch everything is the low income exemption and under the low income exemption we would allow a fifty percent reduction in the assessment. Instead of twelve dollars for your monthly pickup, you would pay six dollars, and if you elected to take the trash to the transfer station yourself then you would pay only three dollars a month. I think this exemption, we did not feel that it would be appropriate because again this is a user fee to follow all the exemptions allowed under the real property system.

Who would be subject to this solid waste assessment? All serviceable residential would be communities or properties are subject to assessment and I would like to clarify non-commercial. We do have a definition for commercial and that would be the vacation rentals and the fee on that is eighty-four dollars a month per container. Some people may ask how come it's so high for commercial section and again obviously commercial section do have the option of going through other private firms to have their trash pickup so they can exercise not to utilize the county services. Again the areas that are going to be serviced is habitable dwellings within service areas; properties in non-serviceable areas will not be subject to assessment. An example is a large unit dwelling which receive service through association-paid fees where they have private firms already collecting their trash. The charge of twelve dollars for curbside collection services for all serviceable benefited properties on each TMK; and habitable dwellings such as barns and so forth would not be charged; and habitable but unoccupied dwellings will be charged six dollars for baseline solid waste collection.

The population of the database, as we move towards implementation, one of the big issues is how we get to a point where real property billing system can actually start billing and it comes out to populating this database. Our first step is to get a master list of TMK and address information from the real property division. Our solid waste staff would use this master list to identify all benefited properties receiving service at this time, as well as those that are not. They would also verify the amount of houses that as well as various amount of units that are also being serviced. Customized notices will be sent to all property owners in advance of billing indicating as to what their charge will be. The owners will have time to decide whether they wanted to stay in the system or to actually exercise their option to decline service, collection service. They could also at that time ask to add the amount of services that they want. Once the program is established, the maintenance of the billing database... we are saying that the only time changes will be made will be allowed... well the initial database will be allowed during the initial registration period and after that every six months thereafter. The reason for that is that real property bills in six month increments, so if you wanted to cancel after that you will still be paying for that full six month period. Cancellation fees are change fees and will be charged; the only exceptions we would allow would be for new accounts and additional services. Those charges would be prorated and service would be scheduled immediately and they would have to pay up front when they actually apply for service.

So the next steps, what happens now? Obviously we need council's approval of this ordinance to move ahead and part of the implementation would require a money bill of a hundred fifty thousand and that is for a new staff position to manage this account. A new work station, equipment and furniture for this person and additional software training support to integrate the solid waste assessment program with the existing real property billing system. We will need to start to populate the billing database, and the public information again obviously will be one of the big parts of this program that we want to do as early as possible. The notice by law is required before March 15, 2011; however, we were hoping to try and send out this so called proposed billing as far in advanced of that date as possible so that people will have the chance to exercise their options for different scenarios, as well as to adjust the final billing before this March 15 date. The effective date of this new assessment is really July 1, 2011. Is there any questions?

Mr. Bynum: Just give us a second please, Councilmember Kaneshiro.

Mr. Kaneshiro: On the proposed assessment surcharge, maybe you can go back to that slide, I believe its slide 6, probably. On the bottom part in the additional collections and properties, why is it twelve dollars each for automated cart up to 3 receptacles instead of six dollars?

Mr. Fujimoto: Okay, right.

Mr. Kaneshiro: Because you are already paying six dollars.

Mr. Fujimoto: Right. For us we felt that again it's a form of your pay as you throw that if you currently need more than is presently allocated then you should pay more. The idea is to deter people from having to throw more than they allocated 96 gallons. Bear it in mind that the twelve dollars is still far below the cost to try to recapture the operating cost for solid waste.

Mr. Kaneshiro: I thought the public needed to know, that because there is a difference if you basically have a cost of six dollar charge for everybody and six dollars for the three up to thirty-two gallons or ninety-six gallons, and then if you want additional, you pay twelve dollars.

Mr. Fujimoto: Obviously that keeps going. If they take the third cart it's still twelve dollars, and the fourth cart will be twelve dollars.

Mr. Bynum: Anymore questions from council members? Council Chair.

Mr. Asing: Expanding on Councilmember Kaneshiro's question, the additional three receptacles, is it three twelve dollars or is it one of the three is twelve dollars? and each receptacle is twelve dollars?

Mr. Fujimoto: Actually no. The intent is to be equivalent to a ninety-six gallon increment. So yes any additional amount over and above three thirty-two gallons will incur another account or another charge of twelve dollars, up to ninety-six gallons, which would be up to three thirty-two gallon containers.

Mr. Asing: So the individual could have ninety six and three more additional...

Mr. Fujimoto: No. no.

Mr. Asing: Am I correct.

Mr. Fujimoto: Just to clarify, the ninety-six gallon containers are limited towards the automated serviceable areas. If you are serviced with the automated program you will not have the luxury of taking out separate 32 gallon containers. You will be assigned another ninety-six gallon container.

Mr. Asing: And it would be an additional twelve dollars.

Mr. Fujimoto: For the manual collections crew, I think the question was asked that if the person takes out four thirty two-gallon containers, then technically he should be charged another fee for twelve dollars.

Mr. Asing: So which is it, he will be or he should be?

Mr. Fujimoto: He will be, he will be.

Mr. Asing: Okay I just want to make it plain, not either or.

Mr. Kaneshiro: That's the way the current bill is right now so my understanding is that even if you have three out and you put out one more you will be charged twelve dollars, regardless.

Mr. Fujimoto: And the way the bill is written, technically we would not pick up the fourth until they register.

Mr. Kaneshiro: Right.

Mr. Fujimoto: There is a registration process.

Mr. Kaneshiro: Right and I understand that. But what I'm saying is if they register for one more, they will still be charged twelve dollars.

Mr. Fujimoto: Yes.

Mr. Kaneshiro: Okay.

Mr. Asing: So they can still register and put out three additional so they could have six?

Mr. Fujimoto: Yes.

Mr. Asing: And it would still be twelve dollars and twenty four dollars if they have six, am I correct?

Mr. Fujimoto: That's correct.

Mr. Asing: Okay.

Mr. Bynum: Councilmember Kawahara.

LANI KAWAHARA: Thank you for being here and for answering all of the questions people have been asking and I would like to give you an opportunity

because I understand it. The baseline of six dollars gets charged either way whether or not you take the automated service and they pick it up for you or you don't. I want you to be able to explain that another time so people are really clear, because I understand that and it makes sense to me. I think that people sometimes forget that the transfer stations are also what we have to pay for, and their presence. So if you could do that.

Mr. Fujimoto: Yeah and I guess it goes back and I guess the easiest way to explain this is sort of like...anyway the justification for this assessment is really to make people more aware. I have no doubt that there's probably some people on this Island that has zero waste, with food waste and they recycle every single thing and even their metal somehow gets recycled and why are they still charged the six dollars. It's because we need to make everyone aware that there's a cost, including them, and to help them educate the rest of their neighbors and everybody else, because whether they like it or not, they are paying for it right now through real property. This is again for the majority of people and I'm saying the majority of people that do not exercise the collection service. They still have trash and the right place to put the trash is in areas that are approved by the Department of Health and that is the only areas that are approved are our transfer stations. So we are encouraging people to use our transfer stations if they're not going to have their trash collected. If we do not charge a base fee we are worried that people will start littering our highways and every place else because now they have an opportunity to have no cost. This way whether they use it or not they will be paying and so we encouraging them to use the approved areas to receive their trash, which is our transfer stations.

Ms. Kawahara: Thank you.

Mr. Bynum: Any questions from Council members?

Mr. Asing: I have a follow up question to that and I believe it might be a tough one for you to answer but I'm going to ask it anyway because I think it's a question that will come up sooner or later. The question is how are you going to reduce the real property tax area, what formula are you going to use?

Mr. Fujimoto: Okay...

Mr. Asing: You are saying right now it is being charged in the form of real property tax today, then the question is if you're going to charge me the same in real property tax as you have always done and then now you're going to charge me a fee for this entire operation, hey wait a minute, are you charging me twice? How do you reconcile that and how and what formula are you going to use to make a determination that X number of dollars of your real property tax was allocated to the solid waste, so therefore we need to take out X amount of dollars

percentage wise in your real property tax bill to reduce it because it's being paid here.

Mr. Fujimoto: That's a great question. I will answer this personally from a personal perspective. I think this should be better answered...

Mr. Asing: No, while I appreciate that, I cannot buy it. I don't want your personal interpretation; I want what the department's interpretation is because I can only go by and make decisions by the department's recommendations and I will not take a personal one.

Mr. Fujimoto: Okay, from a department perspective then and again this question should be better answered by Finance, but from a department's perspective from public works and solid waste department, if we look at this cost breakdowns there is presently eight point two five that is presently subsidized by the general fund. We all know that as we move towards or as we enter this new economic slowdown that our overall general fund base has drastically been reduced and that's been, puts the administration and the council in a tough decision on what to fund and where to fund. This revenue ensures that our programs can continue, that the subsidy portion of the general fund is a lot less and therefore that ensures that we can at least continue these importance solid waste programs. Without it, it's obvious there needs to be some tough decisions that need to be continued with solid waste. I mean that's a huge question, that's a philosophical question. But this is a move towards trying to ensure that solid waste programs remain intact.

Mr. Tanigawa: I would like to add to that and hopefully clarify a little bit more. We took a look at how much of the overall picture as far as the overall revenue that real property tax generates and what percentage would go towards subsidizing the solid waste program. It turns out by estimates it looks like it's roughly ten percent. Once we implement this solid waste assessment, generating roughly three million dollars, that will probably convert to about a three percent decrease in that subsidy level, so that would be roughly around seven or maybe six or seven percent subsidy from the general fund.

Mr. Bynum: Councilmember Kaneshiro and then Councilmember Kawakami.

Mr. Kaneshiro: So you are simply stating that when you come before us with the budget proposal we expect to see a three million dollar less budget proposal based on general fund subsidy.

Mr. Fujimoto: Again I would like to qualify that by our integrated solid waste management plan that recommends some additional improvements and additional programs and this helps to fund that programs.

Mr. Kaneshiro: So you won't really see a reduction in real property or a reduction in your budget proposal. Is that what you're saying?

Mr. Fujimoto: Again I kind of deferred to this integrated solid waste management plan because it does have a financial section that clearly outlines the projected cash flow.

Mr. Kaneshiro: Okay I will accept that.

Mr. Bynum: Councilmember Kawakami.

Mr. Kawakami: Thank you. I, just I guess the big picture thing is as the cost of doing business goes up, fees need to be imposed and actually increased to match the increasing demands of society. The Community wants things like curbside recycling, they want the roads fixed, and this money has to come from somewhere. Now you can go the way of the Big Island and say you know what, we charge you property tax, but you take care of your own trash and you bring it down to your own landfill and your own transfer station and do it that way, but that's not what we're doing here. What we're doing is trying to address and I think what the big picture here is eventually based on the integrated solid waste management plan is that it's a mix of maximum diversion, and they also have options like waste to energy, but something has to pay for these increased services and this is the first step. We don't want to raise fees, I mean that's a reality, but there's a difference between in what you want to do and what you have to do and in this point in time the reality is our revenues are decreasing, the cost of business is going up, and so this gap needs to be shortened somehow in order for us to move forward with the next phase of this whole plan. But yes I can see where people are going to have some heart burn on this, but then you need to ask yourself what are we willing to do without that and that's just the hard realities that we're faced with at this table. So when we ask how we are going to decrease property taxes, we're going to see a decrease in the budget, I don't think we're going to see that. We would like to but the reality is that we probably not going to see that, we're probably going to see an increase budget especially with this knowing what the goals for that plan is. It's going to be expensive and that's what the people got to know. We got to educate people. It's easy to say we want this, but put a price tag on it and are you willing to pay for it. So I think when you hear testimony that we got to do more public outreach and more education, I think there's a price tag that needs to be what we market to the people. It's easy to say we want this, we want that but you put dollars and cents and it might be a different story.

Mr. Bynum: Councilmember Furfaro:

Mr. Furfaro: Yes, ladies and gentlemen, I concur wholeheartedly with what Mr. Kawakami just presented, but please take into consideration that you forecasting three million dollars of additional revenue, but just say that we live with the current consumer price index, that means that prices are increasing at about three point eight percent per year just to operate. We also have contracts that come up next year as well, so we would anticipate and if everything stands as status quo we have a three point eight percent increase in the consumer price index. The three million represents only two percent of our total operating budget at 147 million, and that's with the furloughs. So basically this increase here should be offset not by how much our taxes were reduced, but how much we can control future expenditures if the cost of the consumer price index is three point eight percent. So that's how you need to express it. We anticipate increases across the board at about three point eight percent. This is two percent that won't be coming from the general fund but it is an additional charge to keep up with just doing the cost of business as Mr. Kawakami just explained.

Mr. Bynum: Any more questions from council members?

Mr. Asing: I don't have a question, but I would still like to have some reasonable answer to the question and my simple question was if in real property tax you're taking out money to subsidize the solid waste area then you should be able to say then the property tax should be reduced an X number percent. It's just reasonable to do that. It's like talking from two sides of our mouth if you do that. You say that the property tax is taken from some area and.....

Mr. Fujimoto: Yes and I think you just said it and the bottom line is, is there a void there and obviously there's other projects that need the money from the general fund and so that would be your challenge.

Mr. Asing: Well I just think it's a challenge for you, but I think it's something you should work on. I don't think you should forget it and bury it and let the public know that we're just going to do operations the way we normally do and we not going to answer their questions and you're not going to address it, we're just going to bury it, and I don't think that's the way to do it.

Mr. Bynum: I want to respond to what the chair said. I agree with Council member Kawakami's straight talk. We have been through this for several years, we know in my view we haven't had a responsibility to handle our solid waste differently or more environmental sustainability. I think there is a lot of energy for mixed use recycling coming for green waste not to go in our landfill but to be composted is part of the plan, and all of these things will cost money. I don't think it's fair to ask public works to say are we going to reduce property taxes? You don't vote on that, I think we do, and that's a question for us, and I think Council

member Kawakami and Furfaro have answered that, that if we were to expect the general fund contribution to solid waste to go down, if it does, it would only be for a short period of time because we've made a commitment under the council level and as a community, I believe, and we should be straight forward with the public in doing the environmentally responsible thing. Meeting these goals is going to cost money and we are going to have an increase I think in the long run in the general fund contribution to solid waste even though we have these fees in place. I think you did a good presentation today and this was well thought out. I really particularly like the idea that you have split the assessment between a baseline and collection which gives the consumer some control. It recognizes that cost are important, but are there whether you use the curbside or not. You have talked about the county's money by doing an assessment in a way that reduces our administrative cost to a minimum and so I really appreciate this presentation and this work, but I think to ask you if you're going to offset the property tax, that's not a question that public works can answer. We set the property tax fees here so I think the straight response you got from council members is a good one about them taking responsibility by saying that the option is if you want reduction and not fees then we're not going to roll out these programs and we're going to continue to handle solid waste in a irresponsible way. So thank you very much for the presentation. Anything else before... Council member Furfaro.

Mr. Furfaro: Yes I would like to know if Donald intends to fashion his shirt because there is another message on the back side that I didn't read until I sat in the audience, so what is that message on the back?

Mr. Fujimoto: It says...

Mr. Furfaro: First it says on the front "I recycle."

Mr. Bynum: Do you?

Mr. Furfaro: Thank you Donald.

Mr. Bynum: Are those shirts for sale? And do you have them in 2xl? Any other questions for public works? Yes Mr. Asing.

Mr. Asing: In your slide on proposed assessment surcharges, there's the words "Benefited Properties." what is the definition for benefited properties? Because the benefited properties are the properties that are going to be assessed the base rate, am I correct?

Mr. Tanigawa: We have a definition in the current code. Benefited properties are real property where the dwelling unit sits, that has a dwelling unit basically.

Mr. Asing: So are we saying that every TMK will be charged the base rate?

Mr. Tanigawa: No not every TMK. It has to be serviceable by county collection services.

Mr. Asing: And what is serviceable? How will anyone know that my TMK number that has a house on is automatically going to be paying?

Mr. Tanigawa: Everybody that will be assessed a fee will be receiving a customized notice from us ahead of time ahead of the actual billing telling them what their assessment is and basically giving them a chance to come in to ask for clarification and make any corrections to either decline the service or decline curbside collection service or add to their baseline assessment.

Mr. Asing: Here's the reason why I'm asking the question. The reason I'm asking the question is because there are some areas where the roads are private and I don't know what Princeville, and I'm going to use it as an example, Princeville I believe is being serviced by a private industry. Am I wrong, right?

Mr. Tanigawa: A portion of Princeville is serviced by county refuse collection service.

Mr. Furfaro: I can answer that question. All of the residential properties are serviced by the county; it's many of the condominiums that actually contract through a private service, and I would believe then the fee is put in the tipping charge? I would assume that. Am I correct?

Mr. Tanigawa: Yes.

Mr. Furfaro: Yes. And I have county rubbish collection.

Mr. Asing: Okay, so that means that the TMKs that has the condo units I guess are private, so they will not be assessed fees?

Mr. Tanigawa: That's correct.

Mr. Asing: Why is that?

Mr. Fujimoto: One of the basis is to start with the areas that are presently serviced. So that's one of the things that we're going to do as we populate the data base is to get the data base and cross check it with actual service.

Mr. Asing: I think what bothers me in that area is like you're saying that you know I have a piece of property with a house and I'm paying the base rate which is fine. There is another area that has a condo unit that has a TMK but they do not pay the base rate. So my question is, is it fair? They are not paying the base rate, I'm paying the base rate, why the difference?

Mr. Tanigawa: The primary thing I guess there is that in these areas they are already paying an association fee to have their solid waste managed on a regular basis.

Mr. Asing: Wait, wait, wait now. I'm talking about the county; I'm not talking about if it's private. It comes through the county, the fee is coming to the county for the collection, the base, just the base. So my property I pay the base, there is another piece of property that is not paying that base and the question is why?

Ms. Farley: Well the base is for the use of the transfer station, that's what we established. And the private, the people that are getting the private service they don't use the transfer station, their waste goes directly to the landfill from the commercial collection service.

Mr. Furfaro: No but I think what the chair is going after is wherever this condominium project is, Waipouli, Po'ipū and so forth they do get a fee charged to their service for tipping. So the question is, if I'm a condominium owner at Plantation Hale or Hale Moi at Princeville or Po'ipū Kai, the fee will be assessed to that private collector in the form of a tipping fee and the private collector will then bill that home owners association.

Mr. Asing: That's not the way I see it in the bill.

Mr. Furfaro: No, no, no, I didn't say that's what the bill said chair if you listen to me I said I assume that's how they're going to approach it.

Mr. Fujimoto: Well we...

Mr. Furfaro: Is that how you're going to approach it, Donald?

Mr. Fujimoto: No for private condominiums that actually pay an association fee, they're exempt, they're not going to be charged.

Mr. Furfaro: No, no, no, let's make certain we understand first. The homeowners pay a private collector. If I had a home at Pono Kai I pay a private collector to remove my waste collected at the property through the common area in

the apartments as a charge to that association. The association charge comes from the private collector. I would assume you are now there to make an assessment in your calculations to the condominium project that needs to pass that cost on to their association. I'm not saying it's what you presented to us, but I would think that's the way you would assess that.

Mr. Tanigawa: I hope this can help to clarify. At the landfill we charge a tipping fee to the private operators.

Mr. Furfaro: Isn't that what I said, when the operator goes, he pays a tipping fee.

Mr. Tanigawa: He pays a tipping fee at the landfill and those private collectors don't use the transfer stations. So they pay their fee at the landfill and what they pay they pro-rate to whatever cost they charge the property wherever they are collecting the trash or the garbage from.

Mr. Furfaro: So I'm making the assumption that because they are now having the rubbish removed by a private contractor and at some future point you're going to assess the value of collecting a common opala from those private associations. You can do, or you can present an assessment to the private contractor to collect from the association.

Mr. Tanigawa: Right now it's done through tipping fees at the landfill, but we can take your suggestion under advisement and bring it up to discussion.

Mr. Furfaro: Well I think it's just good financial approach to doing that. I'm sorry Mr. Chair...

Mr. Bynum: Excuse me but right now council chair has the floor.

Mr. Asing: No that's fine that's kind of a clarification so what you're saying is that you're using the tipping fee as the source of collection and I'm not sure that that's, I guess depending upon what the tipping fee is...

Mr. Furfaro: It's the only way they can do it.

Mr. Fujimoto: Yeah and if you noticed, about a third of the budget or a fourth is paid by these tipping fees which is generated through these private condos that we have.

Mr. Asing: Okay I think maybe, have you done some calculations, I mean by the numbers, so that it appears like it's covered in the tipping fees. You feel it's covered in the tipping fee?

Mr. Tanigawa: Our tipping fee basically covers the cost for airspace that basically the cost is allocated to commercial use of airspace at the landfill.

Mr. Bynum: Mr. Chair.

Mr. Fujimoto: I will work on your question.

Mr. Asing: Okay go ahead sure.

Mr. Bynum: I think the chair is asking a good question and the foundation if you can correct me is, is it fair? Is the assessed fee fair for those condominium projects? Your answer is that they pay three point eight million in tipping fees, so yes they are being charged for the solid waste. I think the chair asked an interesting question. Have we done an analysis of whether those fees are equitable? My guess is without having done an analysis if anything condo people may be paying a higher fee because they also pay property taxes which are subsidizing, so I think it's a good thing and if I understand the basis of the question. Is it equitable and fair and has there been an analysis? Have I got that right?

Mr. Asing: You have that right but now when you say property taxes it goes back to the same question that was asked earlier about property taxes. Everybody pays property taxes so, okay.

Mr. Bynum: Councilmember Furfaro:

Mr. Furfaro: I want to make sure that the three point seven million doesn't represent pure condominium apartments right? Okay let's make sure we're comparing apples to apples here. As a resident, on my home I pay property taxes. If I'm a condominium owner, right, I pay property taxes through my association based on the property assessment right? But in my condo assessment I have a line for refuse removal. It is a separate budgeted item for those people. You have an opportunity when you do your estimates to separate what is coming from collection for residential condominiums versus all the other tipping fees and you have an opportunity perhaps for some found revenue there, that's what I'm saying.

Mr. Asing: And that is what I was making reference to, exactly that.

Mr. Furfaro: That's right, so there is a potential there that I don't think the chair is saying you can ignore or not review, because the whole three point seven is made up from all kinds of removal, but you want to treat a household equal to a household, whether it's an apartment household or a duplex or a single family home, and there's an opportunity there. It may not be the same amount but it is certainly worth investigating. Thank you Mr. Chair.

Mr. Bynum: Councilmember Kawahara.

Ms. Kawahara: Thank you. Did you guys recently did do an increase in tipping fees right? So you are actively looking at that and engaging that thing like you said the air space needed in the landfill so I'm comfortable that tipping fees are being assessed to the private garbage disposal services and those are also people that cover the condominium properties, is that right?

Mr. Tanigawa: That's right.

Ms. Kawahara: Thank you.

Mr. Furfaro: I want to clarify this. As a condominium there is a line item per assessment for waste removal, not to be confused with all the other stuff that goes out from the common area, the cutting of lawn rubbish and all of that, that goes in the green waste, all of these associations have a line item for waste removal from the apartments, not to be confused by the tipping fee. You have to separate where we're getting the tipping fees to make a fair evaluation if those households would pay a separate bill on their taxes just like homeowners for waste removal. That's all I'm asking you to evaluate, so we can have the appropriate conclusion as to which is the best way to do this. These people remove landscaping rubbish, they remove boxes and deliveries and so forth, but we're talking about the individual unit which could be a residence.

Mr. Bynum: Any other questions for public works? Thank you very much, I appreciate it.

The meeting was called back to order, and proceeded as follows:

Mr. Bynum: Any discussions anyone? Councilmember Furfaro.

Mr. Furfaro: Yeah I thought the chair asked an excellent question and I concur with him but I do want to make sure we understand. When commercial areas are charged for tipping fees, it could be industrial lots and so forth. But within that three point seven million there are multifamily units that have interior households. They also pay a tipping fee currently that removes from their gardeners, green waste, and other collection items, but it is something that

shouldn't be left on the table without investigating. That's my only comment that kind of fulfills along the way that the chairman was suggesting and it is worth investigating.

Mr. Bynum: I agree and I think it's a good question. There are certainly some revenues coming in the county from those folks. The equitable question is it appropriate, is it higher or lower, I think it should be looked at and I think it's a very good observation.

Mr. Furfaro: Thank you for making that note in your committee.

Mr. Bynum: Any other discussions? I will just say that I appreciate the presentation and I wanted to comment about earlier comments about whether the community has been adequately informed and I'm a little surprised by that testimony because we've been talking about this for a very long time. We've been here and had many, many meetings for the integrated solid waste plan. We had a community advisory meeting and community members who contributed to that plan. We had public meetings, we had our R.W. Beck people here at council meetings repeatedly explaining this. I remember specifically in my first term looking at the camera and saying "hey Kaua'i, fees are coming" that this will be part of the plan. We have had this bill come up and every time we do a bill it comes here, it gets first reading and the public can comment. It has a public hearing where we take comments and then today, as planned, public works is here to do a presentation. I'm a big advocate of keeping the public informed, but on this issue I think we done a pretty stellar job of doing that and I think public works have responded. I had a lot of the same questions that I heard from Mr. Mickens today and I think most of his questions were answered and if any of them weren't I will help pose and I had a lot of the same questions and when public works did their presentation to individual council members similar today I really thought they have thought out all of those quite well. I asked questions for instance like why aren't you piggy backing on the water department bill and you know they had really good solid answers that administratively the way they approached with their thinking I think will save tax payers a lot of money by doing it. I also want to comment again on Mr. Kawakami's comments because I think they were right on the mark. Not only for solid waste but for a myriad of issues because as council members we hear the public say, hey you should do this, you should do this, you should do this, and then, but are you going to reduce my taxes? I think for everybody in government it's like services cost money and the public has to say and be a part of that dialog and they are about what are you willing to pay for it, if we are going to reduce revenues and reduce taxes what is it you want us not to provide. Is it neighborhood centers, is it parks maintenance, is it solid waste. So thank you again for being so diligence on this issue. Any other comments or discussions? If not, I know I'm ready to vote on this and I would entertain a motion...

Mr. Furfaro: Excuse me I move to approve.

Mr. Chang: Seconded.

Mr. Furfaro: Moved for approval of Bill No. 2367, seconded by Mr. Chang.

Mr. Bynum: Is there any discussion?

Mr. Asing: Yes I have some concerns on the proposals. While I agree that we need to start charging because we have not charged the home owners for refuse collection from day one, so up to today its zero they pay nothing. With the proposal that is before us now, they would pay a base of six dollars. Whether you pick up, or not, you still pay six dollars. You will pay an additional six dollars if you have the pickup so the total cost is going to be a hundred and forty four-dollars for anyone that has a normal pickup, whether it's three receptacles or one 96, either/or. You still pay \$144 and so that's the cost per year. What I'd like to see is because we're starting to charge, rather than have the twelve dollar charge I would like to see the six dollar charge installed and start with the six dollar charge for the first year and then add the additional six dollars the second year. So do it in two year increments and it's more, the more the concern that I really have is more for the fixed income individuals that is kind of tough so instead of paying a hundred and forty four dollars a year, they will be paying seventy-two dollars for the first year and then an additional seventy-two dollars for the second year. So it's just trying to ease the because of the economy today what everybody is faced with and I'm just trying to make it easier for everybody out there and it's just a matter of reducing the number from twelve dollars to six dollars. So I would like to make that recommendation. I am not a committee member so I can probably ask a committee member to do it or do it on the floor when it comes to full committee(sic). That's a concern that I have and I would like to see that instituted, thank you.

Mr. Bynum: Any other discussions? Councilmember Kawakami.

Mr. Kawakami: Well that leaves us with two options, well maybe more than two options but you're saying you're ready with an amendment now or?

Mr. Asing: I can prepare one, it's not a problem. it's small because it's only going to change one item, and the item will be changed from twelve to six. I'm sorry from six to three.

Mr. Bynum: Councilmember Kawakami.

Mr. Kawakami: Nonetheless I would just recommend a deferral because you know what there's going to be an introduction of an amendment and

there's going to be follow up questions that only finance can answer. One of the questions is, how does it impact revenue? How is this revenue enhancement forecasted in the next budget because I'm sure they accounted for these fees. So ultimately there's going to be a lot of questions that are going to remain to be answered and instead of tying up more time today to ultimately defer any way, we might as well come to grips with reality and work on the amendment, defer it and come back.

Mr. Bynum: Councilmember Furfaro.

Mr. Furfaro: Yes I thought I read that there was a fifty percent exemption in the first year in the bill, and maybe I don't have the clarification on that so I think...

Mr. Kawakami: I can answer that, that's under the section 5A-11.4 so if your household income is forty thousand or less, you get a fifty percent reduction.

Mr. Furfaro: The fifty percent reduction which I thought was an excellent question from the chair, but I thought it was addressed in that fifty percent exemption.

Mr. Asing: I don't think, I think if you look at the files on real property tax, you will find a very limited amount of people that file for that income.

Mr. Furfaro: I just wanted to explain my thinking after reading the bill.

Mr. Asing: I looked at that and I saw that, but I think if you look at the record on who files on that, it's relatively small. People for some reason either don't know or don't care or just don't understand the benefits that are there and don't file.

Mr. Kawakami: Well there's one thousand four hundred seventy-six that are filed under that exemption. One thousand four hundred seventy-six people are filed under section 5A-11.4B.

Mr. Bynum: So speaking for myself, I think that public works did take that into consideration and has the exemption in the bill for low income, you know. If we're...if this is going...these costs will be incurred one way or another, and so I know I'm prepared to vote on this today. This is in committee where members whether they're committee members or not can introduce amendments. If it's the will of the committee to defer, okay, but I don't feel like

that's necessary. I'm ready to vote today, but I'll see what the members think. Because right now there's a motion to approve on the table, and a second.

Mr. Furfaro: Actually I will remove my motion if somebody removes their second, but I would like to get some clarification. On the fifty percent credit that I read in the bill for the first year, I'm not sure how they arrived at the forty thousand rather than using maybe the median income and below of sixty- four thousand if it were. But I can remove my vote.

Mr. Bynum: I can suspend the rules and call them up and ask the question. Can public works return to discuss the exemption?

Mr. Furfaro: Can you give us any background? Let me rephrase the question again. The fifty percent credit was that forty thousand?

Mr. Fujimoto: Yes, the intent was to mirror the exemption allowed under the real property.

Mr. Furfaro: The exemption on real property I thought was forty-eight? The forty thousand comes from the Water Department, does it not?

Mr. Fujimoto: We are following the real property.

Mr. Bynum: Is that the same as the circuit breaker?

Mr. Tanigawa: No it's the low income exemption.

Mr. Bynum: And you have a thousand people that currently have that exemption?

Mr. Tanigawa: Fourteen hundred seventy six.

Mr. Bynum: Fourteen hundred... One thousand of the... one thousand four hundred and that would be automatic, they don't have to apply for it separately again?

Mr. Tanigawa: That's correct.

Mr. Bynum: Again that's about keeping it administratively simple as that... one of the things I liked about your proposal.

Mr. Asing: I don't believe that's an accurate statement. I believe you had better check on it, because your income just shifts from year to year.

You don't know what the income is. Nobody has a fixed income that every year it's the same. It's different, so you have to file every year.

Mr. Tanigawa: That's correct.

Mr. Asing: Well that's what I'm trying to say be sure that you are accurate on what you're reporting, and the comment made by Councilmember Bynum is not accurate, very inaccurate, you must file every year.

Mr. Tanigawa: That's correct and for everybody who qualifies in that year that particular exemption will apply to their assessment, only that year.

Mr. Asing: Thank you.

Mr. Bynum: So last year, to clarify, one thousand four hundred seventy-six people applied for that exemption and if they applied for that exemption a reduction to the assessment fee will be automatic? Is that correct? They don't have to file separately.

Mr. Tanigawa: Yes.

Mr. Bynum: And so the low income issue was addressed in your proposal.

Mr. Furfaro: So I think I had my numbers inverted here. So if you make the forty-thousand which is the bill which gives you the existing credit you will first get the forty-eight thousand exemption as a property owner, not as a renter.

Mr. Tanigawa: That's correct.

Mr. Furfaro: As a property owner, and then you can qualify for, and let me read this. Homeowner's exemption under the section shall be entitled to an additional exemption not to exceed fifty-five thousand. So they get the forty-eight then they get an additional fifty-five. Okay, although I interpreted this differently, Rick has corrected me, and I think it's more complicated than I read it quite frankly. Because it says an additional home exemption of fifty-five thousand, so that doesn't change from your first basic exemption if you are a homeowner. So maybe I need some time to get this clarified.

Mr. Bynum: When you worked on this exemption you had a discussion with real property?

Mr. Tanigawa: If I could just clarify, in here it says and the verbiage is... any residence that qualifies for exemption under section 5A-11.4D of the Kaua'i County Code shall receive a fifty percent reduction in applicable refuse collection assessment as specified in this section. That's all that applies is the fifty percent reduction to the solid waste assessment.

Mr. Furfaro: I understand but what you are saying is you're first driving the criteria of reaching that as an income, a net income of forty thousand. As a forty thousand income, you then qualify for an additional fifty-five thousand dollar tax exemption, in addition to the forty-eight. Then you are also saying on the assessment they will get fifty percent off. In addition they can qualify for this and in addition to that for their refuse collection for the first year right? For every year that they apply under the forty thousand net income mark.

Mr. Tanigawa: Yes.

Mr. Furfaro: Okay.

The meeting was called back to order, and proceeded as follows:

Mr. Bynum: Any other questions for Public Works? Then I will call the meeting back to order and ask what's the wishes of right? Now we have a motion and a second to approve. I'm ready to vote but if somebody wants to move to defer, we can do that.

Mr. Furfaro: I would like to say that taking this piece that Ricky Watanabe corrected me on, because there are actually two exemption credits here. There is the earning on the additional exemption for your house, and if you qualify that you also get the other fifty percent on this fee. On the lower end of it people could qualify for that discount, but I think the verbiage could use addressing, and I am prepared to withdraw my approval until we get some new clarification.

Mr. Bynum: So you are talking about verbiage in the real property tax bill and not in this bill?

Mr. Furfaro: No. I am saying that bill should be parallel or at least there should be a better understanding. I mean there's a lot of exemptions that we are giving here and with this you can get up to almost a hundred and three thousand dollars of exemptions.

Mr. Bynum: That's in the real property tax exemption?

Mr. Furfaro: Yes, yes.

Mr. Bynum: And we've had those exemptions for some time.

Mr. Furfaro: Yes.

Mr. Bynum: So you are saying that you want to address verbiage in the real property tax bill?

Mr. Furfaro: No, because this exists in the real property, I want to review their verbiage in their bill.

Mr. Bynum: Okay so then you're going to ask for a deferral?

Mr. Furfaro: I think I will because the verbiage should not say net income. The verbiage in their bill should refer to how many exemptions you're qualifying for because that's what drives your discount.

Mr. Bynum: Is somebody prepared to withdraw their second? Yes, Councilmember Kawakami?

DEREK KAWAKAMI: Yeah I think that it's clear that the deferral will be in order, but I think just to clarify and in talking with solid waste they were just looking for a benchmark that would qualify the homeowner to get some relief on some of these fees and the benchmark they chose just happened to be that section. I think that's the same benchmark that you could qualify to get some reduction in also sewer fees too, if I'm not mistaken. So that section is just referring to I guess the benchmark that somewhere along the line the Administration felt they were going to utilize that to qualify a homeowner for the relief.

Mr. Bynum: Councilmember Furfaro.

Mr. Furfaro: Yes and what I'm saying is rather than using that section, we should use perhaps the HUD income amount for that discount on collection. The household at sixty-four thousand eight hundred might be an easier way to do it because that changes every year when we get the household numbers from HUD.

Mr. Bynum: Administratively that might be a nightmare to administer if you have a separate qualification and a separate assessment.

Mr. Furfaro: And that's why I want to now say that based on the comments by the chair about his concerns, I would like to defer but I would have to have the second removed as well.

Mr. Chang: I remove my second.

Mr. Bynum: Who needs to remove the second?

Mr. Furfaro: So that I can revisit the, I want to say the cross references to this fifty percent discount, and I don't have the time to do it. So I wish to move to a deferral.

Mr. Chang: I second that.

Mr. Bynum: Okay, all those in favor?

Council members: Aye.

Mr. Bynum: Motion carries. There being no other business in the Public works committee this committee is adjourned at 11:58 a.m.

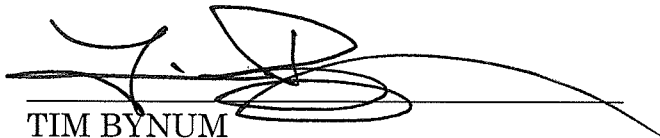
Upon motion duly made by Councilmember Furfaro, seconded by Councilmember Chang, and unanimously carried, Bill No.2367 was deferred.

Respectfully submitted,



Laurie Chow
Senior Clerk Typist

Minutes of the August 18, 2010 Public Works/Elderly Affairs Committee Meeting
APPROVED at the Committee Meeting held on October 6, 2010:



TIM BYNUM
Chair, Public Works/Elderly Affairs Committee